

**DAIRY MARKET NEWS AT A GLANCE**

**CME GROUP CASH MARKETS (9/7)**

**BUTTER:** Grade AA closed at \$2.2300. The weekly average for Grade AA is \$2.2031 (-.0679).

**CHEESE:** Barrels closed at \$1.5000 and 40# blocks at \$1.6625. The weekly average for barrels is \$1.5844 (-.0346) and blocks, \$1.6794 (+.0074).

**NONFAT DRY MILK:** Grade A closed at \$.9100. The weekly average for Grade A is \$.9106 (+.0326).

**DRY WHEY:** Extra grade dry whey closed at \$.5150. The weekly average for dry whey is \$.5075 (+.0180).

**BUTTER HIGHLIGHTS:** Compared to the previous week, butter production is more active across the country as cream is becoming more available for churning. However, in the Midwest, a few butter manufacturers had to shut down operations due to heavy rains/flooding, affecting butter production schedules in that region. Nevertheless, nationwide, butter supplies are more than adequate to meet most spot and contractual needs. Demands for bulk/print butter from wholesalers, retailers and the food service sector are reported as strong. Based on the CME Group, with various periods and averages used, this week, bulk butter pricing varies among regions: East, 5.0 cents to 8.0 cents above the market; Central, 5.0 cents to 7.0 cents above the market; West, 2.0 cents below to 7.0 cents above the market. The CME Group cash price for Grade AA butter is \$2.2300, up \$0.015 compared to last Friday's price, \$2.2150

**CHEESE HIGHLIGHTS:** Northeastern and Midwestern heat and humidity have thinned out Class III milk volumes, while Western cheese producers suggest milk volumes are steady from last week. Reported spot milk prices were \$1 to \$2 over Class in the Midwest. Cheese production in the West is also steady to active. With lower milk volumes, Midwestern and Eastern production reports suggest steady to slower activity. Midwestern producers relayed what many others in the dairy industry have: hauling costs and other transportation related issues are straining profits and progress. A number of Midwestern producers ship cheese eastward, and they relay it has become problematic to find truckers at reasonable prices, particularly for interstate hauls. Cheese demand is variant nationwide. Pizza cheesemakers are seeing seasonal strength with the onset of both the fall college semester and football season. On Thursday, after recent steadiness/strength on the CME, barrel and block prices fell a combined \$.1425. On Friday, the CME Group closing price for barrels is \$1.5000, compared to last Friday's closing price of \$1.6450. The closing price for blocks is \$1.6625, compared to last Friday's closing price of \$1.6950.

**FLUID MILK:** Heat and humidity, in the Central and Eastern

regions, continue to hinder milk output. Between seasonal milk downturns and school related bottling upticks, processing plants are receiving noticeably lower milk volumes. Midwestern cheese producers reported spot milk loads from \$1 to \$2 over Class III. Western milk volumes vary by location, but most reports are steady to lower. Bottlers have ramped up across much of the nation as nearly all K-12 schools have opened on or by this week. Flooding in Wisconsin caused multiple plants to temporarily shut down, creating further difficulties for milk and cream handlers in the area. Hauling/trucking problems continue to be regularly reported across the dairy markets. However, Gulf Coast contacts report milk haulers have had few issues during Tropical Storm Gordon late last week. Cream, unlike fluid milk, has become more available in recent weeks. As ice cream manufacturing has slowed, and milkfat is being spun off of school milk, cream prices have held steady or slipped slightly from last week. F.O.B. cream multiples are **1.22-1.35** in the East, **1.22-1.33** in the Midwest, and **1.10-1.27** in the West.

**DRY PRODUCTS:** Low/medium heat nonfat dry milk NDM prices are steady to increased on a fairly busy trading week. The demand is currently solid and some domestic buyers report finding spot loads below \$.90 is becoming more difficult. The market tone seems to strengthen on a bullish position. High heat prices are steady to a tad higher. The demand is not as aggressive as spot sale activities are limited. Market conditions are steady to firm. Dry buttermilk prices are steady to shifted higher. Spot sales are limited, however reported sales pushed prices up this week. At this point, the demand is fair/good and the market tone is healthy. Dry whole milk prices are steady to lower as some spot sales pulled down prices. Requests from industrial bakeries and confectioners are steadily increasing ahead of the baking season. Currently, the market tone is steady. Dry whey prices are steady to shifted higher this week following regular reports of limited supplies. The market is strong as the spot trading is active. Whey protein concentrate 34% prices are steady to a bit higher. Some buyers are eager to get coverage for late year needs. WPC34% market conditions are mixed. Lactose prices are steady to moved up as end users are providing a solid demand and showing little to no let up in buyer interest. The market tone is firm. Rennet and acid casein prices are higher. The firming prices have impacted market assessments by many buyers and sellers.

**ORGANIC DAIRY MARKET NEWS:** The August 2018 monthly in store survey of supermarkets in twenty-nine U.S. cities, as to pricing of organic whole milk in half gallon containers, reveals that prices range from \$3.14 in Houston, to \$5.49 in Pittsburgh. The average

**-CONTINUED ON PAGE 1A-**

**TABLE OF CONTENTS**

Product Highlights/CME/DMN at a Glance	<b>1</b>	Dry Whey/WPC 34%/Lactose/Casein	<b>6</b>	July 2018 Dairy Products Highlights	<b>13</b>
Weekly CME Cash Trading/Butter Markets/NDPSR	<b>2</b>	U.S. Dairy Cow Slaughter / Class Milk Prices	<b>7</b>	Dairy Graphs	<b>G1</b>
Cheese Markets	<b>3</b>	Organic Dairy Market News	<b>8</b>	National Retail Report – Dairy	
Fluid Milk and Cream	<b>4</b>	August DMN Monthly Price Averages	<b>9</b>	Dairy Market News Contacts	
Nonfat Dry Milk/Dry Buttermilk/Dry Whole Milk	<b>5</b>	August CME Group Monthly Averages	<b>12</b>		

**DAIRY MARKET NEWS PRICE SUMMARY FOR SEPTEMBER 3 - 7, 2018  
PRICES (\$/LB) & CHANGES FROM PREVIOUS PUBLISHED PRICES**

Commodity	Range	Mostly	Commodity	Range	Mostly	Commodity	Range	Mostly
<b>NDM</b>			<b>BUTTERMILK</b>			<b>LACTOSE</b>		
Central Low/Med. Heat	0.8500 0.9400	0.8750 0.9000	Central/East	0.8150 0.9200		Central/West	0.2400 0.4250	0.3000 0.3700
Change	0.0300 0.0400	0.0250 0.0250	Change	N.C. 0.0400		Change	N.C. N.C.	N.C. 0.0100
Central High Heat	1.0000 1.0500		West	0.8000 0.8800	0.8200 0.8500	<b>WPC 34%</b>		
Change	N.C. N.C.		Change	0.0200 N.C.	0.0200 N.C.	Central/West	0.7300 0.9850	0.7700 0.8950
West Low/Med. Heat	0.8250 0.9275	0.8500 0.9000	<b>WHEY</b>			Change	N.C. 0.0125	0.0250 N.C.
Change	0.0100 N.C.	N.C. 0.0100	Central	0.2800 0.5000	0.4000 0.4500	<b>CASEIN</b>		
West High Heat	1.0000 1.0975		Change	0.0150 0.0400	0.0300 N.C.	Rennet	2.4000 2.5200	
Change	N.C. 0.0075		West	0.3700 0.5000	0.4000 0.4700	Change	0.0850 0.0200	
<b>DRY WHOLE MILK</b>			Change	0.0175 0.0200	0.0275 0.0150	Acid	3.0200 3.1100	
National	1.4500 1.5500		Northeast	0.3750 0.4400		Change	0.0300 0.0100	
Change	N.C. -0.1000		Change	0.0050 N.C.		<b>ANIMAL FEED WHEY</b>		
						Central	0.2450 0.3700	
						Change	0.0050 N.C.	